

## Subrecipients with Fiscal Agents

**Background:** Many departments issue grants to small organizations (i.e. coalitions or community groups) that may not be established organizations with a federal tax identification number, DUNS number, or a VISION vendor number. They may be ongoing organizations or those created for a specific short-lived purpose. Many of these subrecipients are granted funds but use a fiscal agent to process all financial transactions on their behalf. Both the coalition/community group and its fiscal agent may be named on the grant agreement.

**Issue:** For subrecipient monitoring purposes, who is considered the grantee in these cases? Should the Grant Tracking module show the coalition/community group as the grantee, or should it be the fiscal agent? Can payments be made to a fiscal agent's vendor number if they are not the official grantee? If the coalition/community group does not have a VISION vendor number, can one be created for it?

**Response:** The VISION vendor that should be used for payments must be the official grantee of record both on the grant agreement and in the VISION Grant Tracking module. In most cases, this means that the fiscal agent will actually be the official grantee with the coalition/community group being either a sub-subrecipient or partner on the grant award. The official grantee is legally responsible for the grant, including being responsible for the management of the funds and for meeting all programmatic and reporting requirements. It is possible for the responsibilities to be split between the two organizations with the fiscal agent managing all financial transactions and the small organization managing the programmatic side, although one of the organizations must be the official grantee and is legally responsible for all activities. The official grantee must be clearly stated in the grant agreement before it is executed and if responsibilities are to be split, this should also be stated. If the fiscal agent becomes the official grantee, acceptance of these grants could put them over the \$500,000 audit threshold. All parties must be aware of this before the grants are finalized.

If an organization has a federal identification number, but wants to use a fiscal agent rather than manage the funds themselves, a choice must be made as to who is legally responsible for the grant. This decision must be mutually agreed upon by the organization, its fiscal agent, and the state granting agency prior to issuance of the award. The grant award document must clearly indicate the official grantee and all payments must be made to that organization. Therefore, the official grantee is the vendor under which the grant award is entered in the VISION Grant Tracking module.

If necessary, the coalition/community group or fiscal agent may be added to the list of valid addresses for the subrecipient's vendor number in VISION. When a grant is entered in the Grant Tracking module, the correct address must be selected to identify the grant award as clearly as possible.

If a prospective subrecipient would like to receive and manage their grant funds directly, but does not have a federal and/or state tax identification number, they can request one by completing form SS-4 (federal) and form S-1 (Vermont). A VISION vendor number will not be established without a federal tax identification number.

All subrecipients must also have a DUNS number issued by Dun & Bradstreet and become registered with the Central Contractor Registration database (CCR). According to federal regulations, a federal grant or contract cannot be issued without a DUNS number and registration with CCR.

**Resources:**

For information about the DUNS and CCR requirements for vendors, visit the [DUNS and CCR](#) page of the Finance and Management website.